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A Limited Liability Partnership

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8 UNITED STATES BANKRUPTCY COURT

9 CENTRAL DISTRICT OF CALIFORNIA—LOS ANGELES DIVISION

10
11 In re TAYLOR RONALD WOODS,

12 Debtor.

Case No.: 2:22-bk-13613-ER

Adversary No: 2:22-ap-_____-ER

Chapter 7

13
14 RONALD A. CHRISTENSEN, an
15 individual

16 Plaintiff,

17 v.

18 TAYLOR RONALD WOODS, an
19 individual,

20 Defendant.

Judge: Hon. Ernesto M. Robles

ADVERSARY COMPLAINT FOR

**(1) DETERMINATION OF NON-
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C.**

§ 523(a)(2)(A);

**(2) DETERMINATION OF NON-
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C.**

§ 523(a)(2)(B);

**(3) DETERMINATION OF NON-
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C. § 523(a)(4);**

**(4) DETERMINATION OF NON-
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C. § 523(a)(6);**

**(5) DETERMINATION OF NON-
DISCHARGEABILITY OF DEBT
PURSUANT TO 11 U.S.C.
§ 523(a)(19)**

DEMAND FOR JURY TRIAL

1 Plaintiff Ronald A. Christensen complains and alleges as follows:

2 **PARTIES**

3 1. Plaintiff Ronald A. Christensen (“Plaintiff” or “Mr. Christensen”) was
4 and is, at all times mentioned herein, an individual residing in Scottsdale, Arizona.

5 2. Plaintiff is informed and believes and, on that basis, alleges that
6 defendant Taylor Ronald Woods (“Defendant” or “Woods”), at all relevant times,
7 was a resident of Orange County, California until recently relocating to Meridian,
8 Idaho. At all relevant times, Woods owns and, along with Howard Wu (“Wu”), was
9 and is a managing member of Urban Commons, LLC (“Urban Commons”), a
10 privately held real estate investment trust (REIT) management company which is
11 registered to do business in the State of California. Urban Commons is the sole
12 manager of Urban Commons 6th Ave Seattle, LLC (“UC Seattle”), a Delaware
13 Limited Liability Company. Urban Commons is also the sole manager of Urban
14 Commons Battery Park, LLC (“UC Battery Park”), a Delaware Limited Liability
15 Company.

16 **JURISDICTION AND VENUE**

17 3. This is an adversary proceeding to determine the dischargeability of
18 debts commenced under 11 U.S.C. § 523 and Rule 7001(6) of the Federal Rules of
19 Bankruptcy Procedure.

20 4. This Court has jurisdiction over this adversary proceeding pursuant to 28
21 U.S.C. §§ 157 and 1334. This is a “core proceeding” pursuant to 28 U.S.C. § 157.

22 5. Venue of this action properly lies in this Court pursuant to 28 U.S.C. §
23 1409, inasmuch as Defendant’s bankruptcy case, out of which this matter arises and
24 to which this matter is related, is pending in this District. Moreover, Woods’s
25 conduct that is the subject of this Complaint occurred in the State of California.

26 6. On June 30, 2022, an involuntary petition was filed against Woods under
27 Chapter 7 of Title 11 of the United States Code. The bankruptcy action is entitled In
28

1 re Taylor Ronald Woods, Case No. 2:22-bk-13613-ER (hereinafter referred to as the
2 “Bankruptcy Case”).

3 7. This adversary proceeding relates to the Bankruptcy Case now pending
4 in this Court. Plaintiff holds general unsecured claims against Defendant pursuant to
5 claims arising from a fraudulent offer to purchase securities, in violation of federal
6 and California securities laws, as more fully set forth in the Complaint pending in the
7 United States District Court, Central District of California under the caption and
8 docket number of *Rosen v. Urban Commons, LLC et al.*, Case No. 8:20-cv-01973-
9 JLS-DFM, filed on October 13, 2020 (hereinafter referred to as the “Civil Action”).
10 A true and correct copy of the operative Third Amended Complaint in the Civil
11 Action filed on October 19, 2022 (Docket No. 281) is filed herewith as **Exhibit 1** and
12 incorporated herein by this reference.

13 **GENERAL ALLEGATIONS**

14 **UC Seattle**

15 8. In or about January 2020, Defendant, by and through Urban Commons,
16 issued a private offering to investors (“UC Seattle Offering”), seeking to raise Forty
17 Million Dollars (\$40,000,000) in membership interest in UC Seattle. UC Seattle is
18 the single purpose limited liability company through which Urban Commons, which
19 is owned and co-managed by Defendant, was going to purchase the real property
20 known as Hilton Seattle, located at 1301 6th Avenue, Seattle, Washington (“Hilton
21 Seattle”).

22 9. On or about January 15, 2020, Plaintiff participated in a telephone call
23 about investing in UC Seattle that was run by Defendant and C. Brian Egnatz
24 (“Egnatz”) a member of Urban Common’s board of directors. During this phone call,
25 Defendant and Egnatz represented to Plaintiff that, among other things, after UC
26 Seattle acquired Hilton Seattle, the holding period would be about 3-4 months, at
27 which point UC Seattle would sell the Hilton Seattle to Eagle Hospitality Trust
28 (“EHT”). EHT is a hospitality-stapled group sponsored by Urban Commons, which

1 Defendant owns and co-manages, and is comprised of Eagle Hospitality Real Estate
2 (“EH-REIT”) and Eagle Hospitality Business Trust (“EH-BT”). During the call,
3 Defendant and Egnatz further represented to Plaintiff that Plaintiff would receive a
4 thirty percent (30%) return on his investment.

5 10. Based on these and other representations alleged throughout this
6 Complaint, including false representations that these were “great deals,” and that
7 Plaintiff and other investors would be “great additions” to the “family,” Plaintiff
8 participated in the UC Seattle Offering.

9 11. A true and correct copy of the Urban Commons 6th Ave Seattle, LLC
10 Membership Interest Subscription Agreement (“UC Seattle Subscription
11 Agreement”) executed by Plaintiff on January 17, 2020 is filed herewith as **Exhibit 2**
12 and incorporated herein by this reference.

13 12. Plaintiff, in reliance on the misrepresentations detailed throughout this
14 Complaint, invested Two Hundred and Fifty Thousand Dollars (\$250,000.00) in UC
15 Seattle. Specifically, on January 17, 2020, Plaintiff executed the UC Seattle
16 Subscription Agreement and remitted his investment via wire transfer to Urban
17 Commons, which Defendant owns and co-manages.

18 13. Through the UC Seattle Subscription Agreement, Urban Commons,
19 which is owned and co-managed by Defendant, made various representations,
20 including, but not limited to the following:

21 a. UC Seattle would not use or apply the purchase price until it had
22 raised the necessary funds from the UC Seattle Offering;

23 b. The funds raised from the UC Seattle Offering would be used to
24 acquire the Hilton Seattle;

25 c. The purchase price for the Hilton Seattle would be deposited into
26 an interest-bearing secure bank account; and all interest earned on such
27 account would be used by UC Seattle to pay all costs and expenses (including
28 but not limited to, all legal, accounting, and management costs and expenses)

1 incurred in connection with the UC Seattle Offering and the formation of UC
2 Seattle;

3 d. If the subscription is terminated, the funds raised by UC Seattle
4 would be returned to the investors plus interest after costs and expenses were
5 paid;

6 e. UC Seattle was obtaining acquisition loans in an approximate
7 aggregate amount of Sixty Million Dollars (\$60,000,000.00) in order to acquire
8 and refurbish the Hilton Seattle;

9 f. Urban Commons would be the sole manager of UC Seattle with
10 exclusive authority and control over all UC Seattle decisions in entering into
11 and managing real estate investments;

12 g. Each investor's capital will be returned at the time of a capital
13 event(s) and prior to any profits from such capital event(s) being distributed to
14 the members.

15 (UC Seattle Subscription Agreement, Exh. 2, p. 1.)

16 14. Defendant also represented that the UC Seattle Offering would be
17 completed by March 2020.

18 15. Plaintiff is informed and believes and, on that basis, alleges that during
19 the marketing and solicitation of investments in the membership interest of UC
20 Seattle, Defendant misrepresented to Plaintiff that as of the week of January 6, 2020,
21 Urban Commons had already raised Twenty-Five Million Dollars (\$25,000,000) from
22 the UC Seattle Offering and that Defendant had personally invested Five to Ten
23 Million Dollars (\$5,000,000 - \$10,000,000).

24 16. Plaintiff is informed and believes and, on that basis, alleges that to date,
25 Urban Commons, which Defendant owns and co-manages, has not completed the UC
26 Seattle Offering nor has Defendant raised the Forty Million Dollars (\$40,000,000)
27 from the offering of membership interests in UC Seattle.
28

1 17. Plaintiff is informed and believes and, on that basis, alleges that to date,
2 Urban Commons, which Defendant owns and co-manages, has not obtained a
3 financing commitment for the acquisition loans in an approximate aggregate amount
4 of Sixty Million Dollars (\$60,000,000.00) in order to acquire and refurbish the Hilton
5 Seattle.

6 18. Plaintiff is informed and believes and, on that basis, alleges that to date,
7 Urban Commons, which is owned and co-managed by Defendant, has not acquired or
8 refurbished the Hilton Seattle.

9 19. Plaintiff is informed and believes and, on that basis, alleges that instead
10 of keeping Plaintiff's investment in a secure, interest-bearing refundable escrow
11 account, UC Seattle and Defendant opened and deposited Plaintiff's investment into a
12 non-refundable escrow account in direct violation of the UC Seattle Subscription
13 Agreement and their representations to Plaintiff. Had Plaintiff known his investment
14 would be deposited in a non-interest bearing, non-refundable escrow account, he
15 would not have invested in UC Seattle.

16 20. Plaintiff further alleges that the securities that Defendant, through Urban
17 Commons, sold to Plaintiff were unregistered in violation of the Securities Act of
18 1933 and were not exempt from such registration or qualification under the Securities
19 Act of 1933. Therefore, the offer and sale of membership interests in UC Seattle by
20 Defendant, through Urban Commons, which Defendant owns and co-manages,
21 violated the Securities Act of 1933 and California securities law.

22 **UC Battery Park**

23 21. In or about February 2020, Defendant, by and through Urban Commons,
24 issued a private offering to investors ("UC Battery Park Offering") seeking to raise
25 Seventy Million Dollars (\$70,000,000) in membership interest in UC Battery Park.
26 UC Battery Park is the single purpose limited liability company through which Urban
27 Commons, which is owned and co-managed by Defendant, was going to purchase the
28 real property known as the Wagner Hotel (formerly known as the Ritz-Carlton

1 Battery Park), located in lower Manhattan at 2 West Street, New York, New York
2 (“Wagner Hotel”).

3 22. On or about February 26, 2020, Plaintiff had a telephone call about
4 investing in UC Battery Park with Tina Ellis (“Ellis”), who liaised on behalf of
5 Plaintiff, and Egnatz, who is a member of the board of Urban Commons, which
6 Defendant owns and co-manages. During the call, Egnatz represented to Plaintiff
7 that, among other things, investing in UC Battery Park would yield a seventy percent
8 (70%) return on investment and that the sale of the Wagner Hotel to EHT would be
9 completed by the fourth quarter of 2020.

10 23. Based on these and other representations alleged throughout this
11 Complaint, Plaintiff participated in the UC Battery Park Offering.

12 24. A true and correct copy of the Urban Commons Battery Park, LLC
13 Membership Interest Subscription Agreement (“UC Battery Park Subscription
14 Agreement”) executed by Plaintiff on February 27, 2020 is filed herewith as Exhibit
15 3 and incorporated herein by this reference.

16 25. Plaintiff, in reliance on the misrepresentations detailed throughout this
17 Complaint, invested Two Hundred and Fifty Thousand Dollars (\$250,000.00) in UC
18 Battery Park. Specifically, on February 27, 2020, Plaintiff executed the UC Battery
19 Park Subscription Agreement. Thereafter, on or about March 3, 2020, Plaintiff
20 remitted his investment via wire transfer to Urban Commons, which Defendant owns
21 and co-manages.

22 26. Through the UC Battery Park Subscription Agreement, Urban
23 Commons, which is owned and co-managed by Defendant, made various
24 representations, including, but not limited to the following:

25 a. UC Battery Park anticipated completing the UC Battery Park
26 Offering by March 6, 2020;

27 b. UC Battery Park would not use or apply the purchase price until it
28 had raised the necessary funds from the UC Battery Park Offering;

1 c. The funds raised from the UC Battery Park Offering would be
2 used to acquire the Wagner Hotel;

3 d. The purchase price for the Wagner Hotel would be deposited into
4 an interest-bearing secure bank account; and all interest earned on such
5 account would be used by UC Battery Park to pay all costs and expenses
6 (including but not limited to, all legal, accounting, and management costs and
7 expenses) incurred in connection with the UC Battery Park Offering and the
8 formation of UC Battery Park;

9 e. If the subscription is terminated, the funds raised by UC Battery
10 Park would be returned to the investors plus interest after costs and expenses
11 were paid;

12 f. UC Battery Park was obtaining acquisition loans in an
13 approximate aggregate amount of One Hundred Million Dollars
14 (\$100,000,000.00) in order to acquire and refurbish the Wagner Hotel;

15 g. Urban Commons would be the sole manager of UC Battery Park
16 with exclusive authority and control over all UC Battery Park decisions in
17 entering into and managing real estate investments;

18 h. Each investor's capital will be returned at the time of a capital
19 event(s) and prior to any profits from such capital event(s) being distributed to
20 the members.

21 (UC Battery Park Subscription Agreement, Exh. 3, p. 1.)

22 27. Plaintiff is informed and believes and, on that basis, alleges that to date,
23 Urban Commons, which Defendant owns and co-manages, has not completed the UC
24 Battery Park Offering nor has Defendant raised the Seventy Million Dollars
25 (\$70,000,000) from the offering of membership interests in UC Battery Park.

26 28. Plaintiff is informed and believes and, on that basis, alleges that to date,
27 Urban Commons, which Defendant owns and co-manages, has not obtained a
28 financing commitment for the acquisition loans in an approximate aggregate amount

1 of One Hundred Million Dollars (\$100,000,000.00) in order to acquire and refurbish
2 the Wagner Hotel.

3 29. Plaintiff is informed and believes and, on that basis, alleges that to date,
4 Urban Commons, which is owned and co-managed by Defendant, has not acquired or
5 refurbished the Wagner Hotel.

6 30. Plaintiff is informed and believes and, on that basis, alleges that instead
7 of keeping Plaintiff's investment in a secure, interest-bearing refundable escrow
8 account, UC Battery Park and Defendant opened and deposited Plaintiff's investment
9 into a non-refundable escrow account in direct violation of the UC Battery Park
10 Subscription Agreement and their representations to Plaintiff. Had Plaintiff known
11 his investment would be deposited in a non-interest bearing, non-refundable escrow
12 account, he would not have invested in UC Battery Park.

13 31. Plaintiff further alleges that the securities that Defendant, through Urban
14 Commons, sold to Plaintiff were unregistered in violation of the Securities Act of
15 1933 and were not exempt from such registration or qualification under the Securities
16 Act of 1933. Therefore, the offer and sale of membership interests in UC Battery
17 Park by Defendant, through Urban Commons, which Defendant owns and co-
18 manages, violated the Securities Act of 1933 and California securities law.

19 **Defendant's Failure to Disclose Interest in EHT**

20 32. Plaintiff is informed and believes and, on that basis, alleges that in or
21 about May 2019, Urban Commons went public on the Singapore Stock Exchange as
22 EAGLEHT SP.

23 33. Plaintiff is informed and believes and therefore alleges that Defendant
24 and Wu, the co-managers of Urban Commons, own and/or owned seventeen percent
25 (17%) of the equity in EHT and were and/or are Chairman and Deputy Chairman,
26 respectively, of the EHT board. Plaintiff is also informed and believes and, on that
27 basis, alleges that Defendant holds and/or held shares of EAGLEHT SP as a result of
28 his relationship, involvement, and/or ownership interest in EHT.

1 34. During the marketing and solicitation of investments in the membership
2 interest of UC Seattle and UC Battery Park, Defendant, directly and/or through Urban
3 Commons and/or its representatives, misrepresented that Urban Commons would
4 invest ten to twenty-five percent (10-25%) of the equity in the purchase of the Hilton
5 Seattle and the Wagner Hotel. Plaintiff is informed and believes and, on that basis,
6 alleges that at the time these misrepresentations were made, Defendant knew these
7 misrepresentations were false and made them in order to induce Plaintiff into
8 investing in UC Seattle and UC Battery Park.

9 35. During the marketing and solicitation of investments in the membership
10 interest of UC Seattle and UC Battery Park, Defendant, directly and/or through Urban
11 Commons and/or its representatives, did not disclose his relationship with,
12 involvement in, and/or ownership interest in EHT, which is the Singaporean REIT
13 which was supposed to (i) buy UC Seattle upon UC Seattle's acquisition of the Hilton
14 Seattle, and (ii) buy UC Battery Park upon UC Battery Park's acquisition of the
15 Wagner Hotel. Plaintiff is informed and believes and, on that basis, alleges that at the
16 time these misrepresentations were made, Defendant knew these misrepresentations
17 were false and made them in order to induce Plaintiff into investing in UC Seattle and
18 UC Battery Park.

19 36. During the marketing and solicitation of investments in the membership
20 interest of UC Seattle and UC Battery Park, Defendant, directly and/or through Urban
21 Commons and/or its representatives, misrepresented that the membership interest in
22 UC Seattle would be sold to EHT by early summer of 2020 and the membership
23 interest in UC Battery Park would be sold to EHT by the fourth quarter of 2020.
24 Plaintiff is informed and believes and, on that basis, alleges that at the time these
25 misrepresentations were made, Defendant knew these misrepresentations were false
26 and made them in order to induce Plaintiff into investing in UC Seattle and UC
27 Battery Park.

28

1 37. During the marketing and solicitation of investments in the membership
2 interest in UC Battery Park, Defendant, directly and/or through Urban Commons
3 and/or its representatives, misrepresented that investment in UC Battery Park would
4 yield a significant return on investment as a result of the purported \$500,000 per door
5 purchase price for the Wagner Hotel. Plaintiff is informed and believes and, on that
6 basis, alleges that at the time these misrepresentations were made, Defendant knew
7 these misrepresentations were false and made them in order to induce Plaintiff into
8 investing in UC Battery Park.

9 38. Plaintiff is informed and believes and, on that basis, alleges that at the
10 time Defendant, through Urban Commons, issued the offering of membership interest
11 in UC Seattle and UC Battery Park to Plaintiff (between January and March 2020),
12 Defendant knew that EHT was not performing well and failed to disclose this
13 material fact to Plaintiff. Specifically, as Defendant both directly and indirectly made
14 written and verbal material misrepresentations to Plaintiff between January 2020 and
15 March 2020, Defendant knew that that EH-REIT had defaulted on a Three Hundred
16 and Forty-One Million Dollar (US \$341,000,000.00) facility loan and that trading of
17 EAGLEHT SP units was suspended. Plaintiff is informed and believes that the
18 default was caused by the failure of Urban Commons, the master lessee of EHT's
19 properties, to place with EHT the full sum of security deposits under the master lease
20 agreements and make timely rental payments. Importantly, this default occurred in or
21 about December 2019.

22 39. Plaintiff is informed and believes and, on that basis, alleges that at the
23 time Defendant, through Urban Commons, issued the offering of membership
24 interests in UC Seattle and UC Battery Park to Plaintiff (between January and March
25 2020), Defendant knew that EHT was not performing well, knew EH-REIT had
26 defaulted on its US\$341,000,000.00 facility loan, and knew trading of EAGLEHT SP
27 units was suspended. Despite knowing this, Defendant, directly and/or through
28 Urban Commons and/or its representatives, still represented to Plaintiff that by

1 investing in UC Seattle and UC Battery Park, Plaintiff would have no exposure to
2 Singapore market fluctuations or risk.

3 40. Plaintiff is further informed and believes and, on that basis, alleges that
4 at the time Defendant, through Urban Commons, issued the offering of membership
5 interests in UC Seattle and UC Battery Park, Defendant knew he and his associates
6 were under investigation by the Monetary Authority of Singapore (MAS) and the
7 Singapore Stock Exchange for suspected breaches of disclosure requirements under
8 Section 203 of the Singapore Securities and Futures Act, and breaches of regulations
9 and listing rules in relation to EAGLEHT SP.

10 41. Plaintiff is informed and believes and, on that basis, alleges that as a
11 result of the loan default, trading of EAGLEHT SP units was voluntarily suspended
12 on or about March 24, 2020, only twenty-one (21) days after Defendant, through
13 Urban Commons, received Plaintiff's \$250,000 investment in UC Battery Park.

14 42. During the marketing and solicitation of investments in the membership
15 interests of UC Seattle and UC Battery Park, Defendant, directly and/or through
16 Urban Commons and/or its representatives, failed to disclose that Urban Commons,
17 which Defendant owns and co-manages, had failed to make timely rental payments
18 since 2019 and failed to disclose this default by Urban Commons.

19 43. Nowhere in the UC Seattle Subscription Agreement or UC Battery Park
20 Subscription Agreement, or otherwise did Defendant, either directly or through
21 Urban Commons and/or its representatives, disclose his involvement with,
22 connection to, and/or relationship with EHT.

23 44. Nowhere in the UC Seattle Subscription Agreement or the UC Battery
24 Park Subscription Agreement, or otherwise did Defendant, either directly or through
25 Urban Commons and/or its representatives, disclose (i) EHT's financial trouble, or
26 (ii) that EH-REIT defaulted on its Three Hundred and Forty-One Million Dollar (US
27 \$341,000,000.00) facility loan in or about December 2019.

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1 45. Nowhere in the UC Seattle Subscription Agreement or the UC Battery
2 Park Subscription Agreement, or otherwise did Defendant, either directly or through
3 Urban Commons and/or its representatives, disclose anything about (i) EAGLEHT
4 SP's troubles with the Monetary Authority of Singapore (MAS) and the Singapore
5 Stock Exchange, or (ii) the suspension of EAGLEHT SP's shares on the Singapore
6 Stock Exchange.

7 46. Indeed, none of the disclosures identified above were made to Plaintiff
8 prior to soliciting and accepting his investments in UC Seattle and UC Battery Park,
9 even though Defendant had an obligation to do so.

10 47. Defendant, both directly and through Urban Commons and its
11 representatives, made misrepresentations of material facts and omitted material facts
12 concerning the UC Seattle Offering and the UC Battery Park Offering. Plaintiff
13 relied on such misrepresentations and/or omissions in deciding to invest in UC
14 Seattle and UC Battery Park. But for such misrepresentations and/or material
15 omissions, Plaintiff would not have invested \$250,000 in UC Seattle and \$250,000 in
16 UC Battery Park.

17 48. In sum, in the pitch to solicit the purchase of membership interests in
18 UC Seattle and UC Battery Park by Plaintiff, Defendant, both directly and through
19 Urban Commons, and by means of written and/or oral communications, made untrue
20 statements of material facts and omitted to state material facts necessary to make the
21 statements made, considering the circumstances under which the statements were
22 made, not misleading, including, inter alia:

- 23 a. Materially misrepresented and omitted material facts concerning
24 Defendant's credentials, experience, and capabilities in order to induce
25 the trust and confidence of Plaintiff and other investors and lenders;
26 b. Failed to disclose the default by Urban Commons on the Master Lease
27 Agreements with EHT that occurred prior to both the UC Seattle
28 Offering and the UC Battery Park Offering, and EH-REIT's subsequent

1 default and acceleration of its Three Hundred and Forty-One Million
2 Dollar (US\$341,000,000.00) loan;

3 c. Failed to disclose and omitted material facts concerning Urban
4 Commons, Defendant, and Wu in the offering of the membership
5 interests in UC Seattle and UC Battery Park;

6 d. Materially misrepresented and omitted material facts concerning the
7 completion dates for the offerings and the dates on which the Hilton
8 Seattle and Wagner Hotel would be sold to EHT;

9 e. Materially misrepresented and omitted material facts concerning raising
10 the necessary funds from the UC Seattle Offering to purchase the Hilton
11 Seattle and from the UC Battery Park Offering to purchase the Wagner
12 Hotel;

13 f. Materially misrepresented the value of the return on investment,
14 claiming the net return for investors such as Plaintiff would be
15 “significant” and “repeatable;” and

16 g. Materially misrepresented and omitted material facts concerning the
17 status of the investments, acquisition of the Hilton Seattle and Wagner
18 Hotel, and escrow account(s) allegedly holding Plaintiff’s investments.

19 **Plaintiff Rescinds Membership Interest After Defendant Woods Fails to Provide**
20 **Any Information Regarding the Acquisition of Hilton Seattle and Wagner Hotel**

21 49. On April 28, 2020, Ellis, who liaised on behalf of Plaintiff, requested
22 from Defendant via email an update regarding Plaintiff’s investments in UC Seattle
23 and UC Battery Park.

24 50. Plaintiff is informed and believes and, on that basis, alleges that
25 Defendant directed Egnatz to respond to Ellis, so that Defendant would not have to
26 respond directly and be accountable to Plaintiff. Accordingly, in response to Ellis’s
27 email, Egnatz directed Ellis not to contact Defendant directly in the future but rather
28

1 contact Egnatz or his associate, who would then determine who should be contacted
2 at Urban Commons.

3 51. On May 17, 2020, Plaintiff provided Urban Commons, UC Seattle, UC
4 Battery Park, Defendant, and Wu with written correspondence wherein Plaintiff
5 provided such parties with notice of Plaintiff's rescission on his subscriptions for
6 membership interests in UC Seattle and UC Battery Park. In said written
7 correspondence, Plaintiff demanded remittance of his collective \$500,000 in
8 investments. Much to Plaintiff's dismay, Defendant, through Urban Commons, has
9 failed to reimburse Plaintiff's investments.

10 52. A true and correct copy of the Notice of Rescission is filed herewith as
11 **Exhibit 4** and incorporated herein by this reference.

12 53. Importantly, before noticing rescission, Plaintiff requested from
13 Defendant, through Urban Commons, proof that either: (i) the UC Seattle Offering
14 and UC Battery Park Offering had been completed and the Hilton Seattle and the
15 Wagner Hotel had been acquired, or (ii) that Plaintiff's investments were being held
16 in a segregated interest-bearing escrow account. Defendant, either directly or
17 through Urban Commons and/or its representatives, has failed to honor Plaintiff's
18 request, providing no proof whatsoever.

19 54. Plaintiff is informed and believes and, on that basis, alleges that to date,
20 UC Seattle has not acquired the Hilton Seattle. Accordingly, Plaintiff is unaware of
21 where his investment funds went or how they were used by Defendant, Wu, Urban
22 Commons, UC Seattle, and/or UC Battery Park or even if they were used for their
23 intended purpose, *i.e.*, acquiring the Hilton Seattle and the Wagner Hotel.

24 55. Through discovery in the Civil Action, Plaintiff has now learned that
25 Urban Commons already owned the Wagner hotel at the time it was offering
26 subscriptions for membership in interest in UC Battery Park. Plaintiff is informed
27 and believes and, on that basis, alleges that Defendant, directly and/or through Urban
28 Commons and/or its representatives, misrepresented that the UC Battery Park

1 Offering was for the acquisition of the Wagner Hotel in order to make subscriptions
2 for membership interest in UC Battery Park more attractive to unknowing investors.
3 Plaintiff is informed and believes and, on that basis, alleges that the UC Battery Park
4 Offering was never for the purchase of the Wagner Hotel and thus Plaintiff's
5 investment funds were never used for their intended purpose, *i.e.*, the acquisition of
6 the Wagner Hotel. Accordingly, Plaintiff is unaware of where his investment funds
7 went or how they were used by Defendant, Wu, Urban Commons, and/or UC Battery
8 Park.

9 56. To date, Defendant, either directly or through Urban Commons and/or
10 its representatives, has either failed or refused to provide any accounting of Plaintiff's
11 investments, where Plaintiff's investments went, or how Plaintiff's investments were
12 used by Defendant, Wu, Urban Commons, UC Seattle, and/or UC Battery Park.
13 Plaintiff fears that Defendant has absconded with his collective \$500,000 investment.

14 57. The UC Seattle Subscription Agreement expressly provides that should
15 the offering be terminated, the investment would be returned to Plaintiff with interest.
16 Defendant, either directly and/or through Urban Commons and/or UC Seattle, has
17 refused to do so, (i) even though UC Seattle failed to timely complete the UC Seattle
18 Offering and/or acquire the Hilton Seattle, and (ii) even though Plaintiff provided a
19 Notice of Rescission and repeatedly requested that his investment funds be returned.

20 58. The UC Battery Park Subscription Agreement expressly provides that
21 should the offering be terminated, the investment would be returned to Plaintiff with
22 interest. Defendant, either directly and/or through Urban Commons and/or UC
23 Battery Park, has refused to do so, (i) even though UC Battery Park failed to timely
24 complete the UC Battery Park Offering and/or acquire the Wagner Hotel, and (ii)
25 even though Plaintiff provided a Notice of Rescission and repeatedly requested that
26 his investment funds be returned.

Defendant Woods is an Alter Ego of UC Seattle

59. Plaintiff is informed and believes and, on that basis, alleges that Defendant has so blatantly disregarded the corporate formalities between himself and UC Seattle that allowing him to seek protection from his fraudulent conduct by hiding behind UC Seattle would result in an injustice against this Court and Plaintiff.

60. Plaintiff is informed and believes and, on that basis, alleges that Defendant disregarded corporate formalities by, among other things:

- a. Transferring at least Five Million Seven Hundred and Seventy-Three Thousand Dollars (\$5,773,000) from UC Seattle to Urban Commons, which Defendant owns and co-manages, in 2020, despite a specific prohibition against such transfers contained in the UC Seattle Subscription Agreement, as alleged in Paragraph 13, above;
- b. Transferring at least Two Million Four Hundred Thousand Dollars (\$2,400,000) of the aforementioned funds from Urban Commons, which Defendant owns and co-manages, to Defendant's personally controlled accounts in 2020, despite UC Seattle's failure to acquire the Hilton Seattle as alleged in Paragraph 18 above;
- c. Treating UC Seattle assets and funds as his own;
- d. Taking funds from UC Seattle and transferring them to other Urban Commons-controlled entities under his ownership and control, in addition to his own personal use.

61. For example, after Plaintiff made his Two Hundred and Fifty Thousand Dollar (\$250,000) investment in UC Seattle on January 17, 2020, Plaintiff is informed and believes and, on that basis, alleges that on that same day, Defendant transferred \$250,000 from UC Seattle's bank account to the bank account for Urban Commons. Plaintiff is informed and believes and, on that basis, alleges that on January 28, 2020, Defendant subsequently transferred \$250,000 from the bank account for Urban Commons to a bank account controlled by him.

1 62. Plaintiff is informed and believes and, on that basis, alleges that
2 Defendant is one of two member-managers of Urban Commons, the limited liability
3 entity that was contractually appointed as the manager of the Property by the UC
4 Seattle Subscription Agreement. Plaintiff is further informed and believes and, on
5 that basis, alleges that Defendant used his position as owner and member manager of
6 Urban Commons in order to fraudulently transfer funds between UC Seattle, Urban
7 Commons, and his personal accounts, as alleged above.

8 **Defendant Woods is an Alter Ego of UC Battery Park**

9 63. Plaintiff is informed and believes and, on that basis, alleges that
10 Defendant has so blatantly disregarded the corporate formalities between himself and
11 UC Battery Park that allowing him to seek protection from his fraudulent conduct by
12 hiding behind UC Battery Park would result in an injustice against this Court and
13 Plaintiff.

14 64. Plaintiff is informed and believes and, on that basis, alleges that
15 Defendant disregarded corporate formalities by, among other things:

- 16 a. Transferring at least Fifteen Million, Forty-Eight Thousand Dollars
17 (\$15,048,000) from UC Battery Park to Urban Commons, which
18 Defendant owns and co-manages, in 2020, despite a specific prohibition
19 against such transfers contained in the UC Battery Park Subscription
20 Agreement, as alleged in Paragraph 26, above;
- 21 b. Transferring at least Two Million Four Hundred Thousand Dollars
22 (\$2,400,000) of the aforementioned funds from Urban Commons, which
23 Defendant owns and co-manages, to Defendant's personally controlled
24 accounts in 2020, despite UC Battery Park's failure to acquire the
25 Wagner Hotel as alleged in Paragraph 29 above;
- 26 c. Treating UC Battery Park assets and funds as his own;
- 27
- 28

1 d. Taking funds from UC Battery Park and transferring them to other
2 Urban Commons-controlled entities under his ownership and control, in
3 addition to his own personal use.

4 65. For example, Plaintiff is informed and believes and, on that basis,
5 alleges that on May 12, 2020, Defendant made two transfers from UC Battery Park's
6 bank account to the bank account for Urban Commons—one for One Million Dollars
7 (\$1,000,000) and the second for Five Hundred Thousand Dollars (\$500,000).
8 Plaintiff is further informed and believes and, on that basis, alleges that on the same
9 day, May 12, 2020, Defendant subsequently made two transfers from the bank
10 account for Urban Commons to a bank account personally controlled by him—one
11 for One Million Dollars (\$1,000,000) and the second for Five Hundred Thousand
12 Dollars (\$500,000). These transfers to Defendant occurred just five (5) days before
13 Plaintiff provided Notice of Rescission on May 17, 2020.

14 66. Plaintiff is informed and believes and, on that basis, alleges that
15 Defendant is one of two member-managers of Urban Commons, the limited liability
16 entity that was contractually appointed as the manager of the Property by the UC
17 Battery Park Subscription Agreement. Plaintiff is further informed and believes and,
18 on that basis, alleges that Defendant used his position as owner and member manager
19 of Urban Commons in order to fraudulently transfer funds between UC Battery Park,
20 Urban Commons, and his personal accounts, as alleged above.

21 **Defendant Woods Has a Pattern of Fraud and Dissipating Assets**

22 67. Importantly, Woods has already been declared a “fraudster” by United
23 States Bankruptcy Court Judge Christopher S. Sontchi from the District of Delaware
24 in *In re EHT US1, Inc.*, 633 B.R. 223 (Bankr. D. Del., Nov. 15, 2021).

25 68. In his opinion, Judge Sontchi stated:

26 “Messrs. Woods and Wu are fraudsters. They fraudulently obtained a PPP
27 loan on behalf of the Debtor without authority and absconded with the
28 proceeds, leaving either the Debtor or the United States to pay back the lender.

1 They were sued by the Debtor, and, after notice and a hearing, the Court
2 entered summary judgment against them and their company and enjoined
3 Defendants from dissipating their assets. In addition, the Court ordered a
4 detailed accounting. Defendants have not provided a sufficient accounting and
5 have baldly stated they intend to dissipate their assets.”

6 *In re EHT US1, Inc.*, 633 B.R. at 225.

7
8 **FIRST CLAIM FOR RELIEF**

9 **(Determination of Non-Dischargeability of Debt**

10 **Pursuant to 11 U.S.C. §523(a)(2)(A))**

11 69. Plaintiff hereby incorporates by reference each allegation contained in
12 paragraphs 1 through 68 and realleges those allegations as if fully set forth herein.

13 70. Defendant incurred obligations to Plaintiff by false pretenses, false
14 representations, and/or actual fraud by misrepresenting essential material facts.

15 71. In the UC Seattle Subscription Agreement, Defendant, through Urban
16 Commons, the Manager of UC Seattle, promised, among other things, that (i) UC
17 Seattle would not use or apply the purchase price for the Hilton Seattle until the
18 necessary funds from the UC Seattle Offering had been raised; (ii) the funds raised
19 for the UC Seattle Offering would be used to invest in UC Seattle, which would
20 acquire, own, operate, and eventually sell the Hilton Seattle; (iii) the purchase price
21 for the Hilton Seattle would be deposited into interest-bearing secure bank accounts;
22 (iv) if the UC Seattle Subscription Agreement was terminated, all funds raised would
23 be returned to the investors, together with any interest remaining on such funds
24 following the payment of all costs and expenses; and (v) UC Seattle would obtain a
25 loan in an approximate aggregate amount of Sixty Million Dollars (\$60,000,000) to
26 acquire the Hilton Seattle.

27 72. In the UC Battery Park Subscription Agreement, Defendant, through
28 Urban Commons, the Manager of UC Battery Park, promised, among other things,

1 that (i) UC Battery Park anticipated completing the UC Battery Park Offering by
2 March 6, 2020; (ii) UC Battery Park would not use or apply the purchase price for the
3 Wagner Hotel until the necessary funds from the UC Battery Park Offering had been
4 raised; (iii) the funds raised for the UC Battery Park Offering would be used to invest
5 in UC Battery Park, which would acquire, own, operate, and eventually sell the
6 Wagner Hotel; (iv) the purchase price for the Wagner Hotel would be deposited into
7 interest-bearing secure bank accounts; (v) if the UC Battery Park Subscription
8 Agreement was terminated, all funds raised would be returned to the investors,
9 together with any interest remaining on such funds following the payment of all costs
10 and expenses; and (vi) UC Battery Park would obtain a loan in an approximate
11 aggregate amount of One Hundred Million Dollars (\$100,000,000) to acquire the
12 Wagner Hotel.

13 73. Defendant and/or Egnatz, who was acting as an exclusive agent for
14 Urban Commons, which Defendant owns and co-manages, represented to Plaintiff,
15 among other things, that (i) the UC Seattle Offering would be completed by March
16 2020, (ii) the Hilton Seattle would be sold to EHT within 3-4 months after UC Seattle
17 acquired the Hilton Seattle, and (iii) Plaintiff would receive a 30% return on his
18 investment.

19 74. Defendant, through Egnatz, represented to Plaintiff, among other things,
20 that (i) Plaintiff's investment in UC Battery Park would yield a 70% return on
21 investment, and (ii) the sale of the Wagner Hotel to EHT would be completed by the
22 fourth quarter of 2020.

23 75. With regard to the UC Seattle Offering, at the time Defendant made
24 these representations, Defendant knew that such representations were false, because
25 Defendant was well aware that: (i) instead of keeping Plaintiff's investment in a
26 secure, interest-bearing refundable escrow account, UC Seattle and Defendant
27 opened and deposited Plaintiff's investment into a non-refundable escrow account in
28 violation of the UC Seattle Subscription Agreement and their representations to

1 Plaintiff; (ii) Defendant planned to transfer, and in fact did transfer, at least Five
2 Million Seven Hundred and Seventy-Three Thousand Dollars (\$5,773,000) in funds
3 raised for the UC Seattle Offering from UC Seattle to Urban Commons, which
4 Defendant owns and co-manages, in violation of the UC Seattle Subscription
5 Agreement; (iii) Defendant planned to transfer, and in fact did transfer, at least Two
6 Million Four Hundred Thousand Dollars (\$2,400,000) of the aforementioned funds
7 from Urban Commons, which Defendant owns and co-manages, to Defendant's
8 personally controlled accounts in 2020, despite UC Seattle's failure to acquire the
9 Hilton Seattle pursuant to the UC Seattle Subscription Agreement; and (iv)
10 Defendant had no intention of returning Plaintiff's \$250,000 investment in UC
11 Seattle in the event the UC Seattle Subscription Agreement was terminated, and to
12 date, even after receiving Plaintiff's Notice of Rescission, Defendant has failed to
13 return Plaintiff's \$250,000 investment in UC Seattle.

14 76. With regard to the UC Battery Park Offering, at the time Defendant
15 made these representations, Defendant knew that such representations were false,
16 because Defendant was well aware that: (i) Urban Commons already owned the
17 Wagner Hotel at the time it was soliciting subscriptions for membership interest in
18 UC Battery Park; (ii) Defendant never planned to use Plaintiff's investment in UC
19 Battery Park for the acquisition of the Wagner Hotel; (iii) instead of keeping
20 Plaintiff's investment in a secure, interest-bearing refundable escrow account, UC
21 Battery Park and Defendant opened and deposited Plaintiff's investment into a non-
22 refundable escrow account in violation of the UC Battery Park Subscription
23 Agreement and their representations to Plaintiff; (iv) Defendant planned to transfer,
24 and in fact did transfer, at least Fifteen Million Forty-Eight Thousand Dollars
25 (\$15,048,000) in funds raised for the UC Battery Park Offering from UC Battery
26 Park to Urban Commons, which Defendant owns and co-manages, in violation of the
27 UC Battery Park Subscription Agreement; and (v) Defendant planned to transfer, and
28 in fact did transfer, at least Two Million Four Hundred Thousand Dollars

1 (\$2,400,000) of the aforementioned funds from Urban Commons, which Defendant
2 owns and co-manages, to Defendant's personally controlled accounts in 2020, despite
3 UC Battery Park's failure to acquire the Wagner Hotel pursuant to the UC Battery
4 Park Subscription Agreement; and (vi) Defendant had no intention of returning
5 Plaintiff's \$250,000 investment in UC Battery Park in the event the UC Battery Park
6 Subscription Agreement was terminated, and to date, even after receiving Plaintiff's
7 Notice of Rescission, Defendant has failed to return Plaintiff's \$250,000 investment
8 in UC Battery Park.

9 77. With regard to both the UC Seattle Offering and the UC Battery Park
10 Offering, at the time Defendant made these representations, Defendant knew that
11 such representations were false, because Defendant was well aware that: (i) as of at
12 least 2019, EHT, the entity in which Defendant has ownership interest that was
13 supposed to purchase the Hilton Seattle from UC Seattle and the Wagner Hotel from
14 UC Battery Park, was not performing well; (ii) EH-REIT had defaulted on a Three
15 Hundred and Forty-One Million Dollar (US\$341,000,000) facility loan; (iii) EH-
16 REIT's facility loan default dated back to at least December 2019; (iv) since at least
17 2019, Urban Commons had failed to make timely payments to EHT as master lessee
18 of EHT's properties; (v) Defendant and his associates were under investigation by the
19 Monetary Authority of Singapore ("MAS") and the Singapore Stock Exchange for
20 suspected breaches of disclosure requirements under Section 2013 of the Singapore
21 Securities and Futures Act, and breaches of regulations and listing rules in relation to
22 EAGLEHT SP; and (vi) trading of EAGLEHT SP's units had been suspended.

23 78. Defendant, either directly or indirectly through Urban Commons, UC
24 Seattle, UC Battery Park, and/or their representatives, made such misrepresentations
25 and omissions to induce Plaintiff into investing in UC Seattle and UC Battery Park.

26 79. In reliance on such misrepresentations and omissions, Plaintiff invested
27 \$250,000 in UC Seattle and \$250,000 in UC Battery Park.

28

1 80. Plaintiff was harmed by Defendant's concealment of such material facts.
2 Had such material facts been disclosed, Plaintiff would have taken steps, including
3 not investing in UC Seattle pursuant to the UC Seattle Offering and not investing in
4 UC Battery Park pursuant to the UC Battery Park Offering.

5 81. The intentionally fraudulent acts of Defendant were undertaken in a
6 malicious manner justifying an award of punitive damages against Defendant and in
7 favor of Plaintiff.

8 82. Based on the facts alleged herein, Plaintiff requests that Defendant's
9 obligation to Plaintiff be found non-dischargeable in its entirety pursuant to 11
10 U.S.C. § 523(a)(2)(A), as the debts owed to Plaintiff were obtained by false pretense,
11 false representation, and/or actual fraud.

12
13 **SECOND CLAIM FOR RELIEF**

14 **(Determination of Non-Dischargeability of Debt**

15 **Pursuant to 11 U.S.C. §523(a)(2)(B))**

16 83. Plaintiff hereby incorporates by reference each allegation contained in
17 paragraphs 1 through 82 and realleges those allegations as if fully set forth herein.

18 84. Defendant incurred obligations to Plaintiff by making materially false
19 statements in the UC Seattle Subscription Agreement and the UC Battery Park
20 Subscription Agreement related to the financial condition of Defendant and/or
21 insiders of Defendant, including Wu, Urban Commons, UC Seattle, and/or UC
22 Battery Park.

23 85. In the UC Seattle Subscription Agreement, Defendant, through Urban
24 Commons, the Manager of UC Seattle, promised, among other things, that (i) UC
25 Seattle would not use or apply the purchase price for the Hilton Seattle until the
26 necessary funds from the UC Seattle Offering had been raised; (ii) the funds raised
27 for the UC Seattle Offering would be used to invest in UC Seattle, which would
28 acquire, own, operate, and eventually sell the Hilton Seattle; (iii) the purchase price

1 for the Hilton Seattle would be deposited into interest-bearing secure bank accounts;
2 (iv) if the UC Seattle Subscription Agreement was terminated, all funds raised would
3 be returned to the investors, together with any interest remaining on such funds
4 following the payment of all costs and expenses; and (v) UC Seattle would obtain a
5 loan in an approximate aggregate amount of Sixty Million Dollars (\$60,000,000) to
6 acquire the Hilton Seattle.

7 86. In the UC Battery Park Subscription Agreement, Defendant, through
8 Urban Commons, the Manager of UC Battery Park, promised, among other things,
9 that (i) UC Battery Park anticipated completing the UC Battery Park Offering by
10 March 6, 2020; (ii) UC Battery Park would not use or apply the purchase price for the
11 Wagner Hotel until the necessary funds from the UC Battery Park Offering had been
12 raised; (iii) the funds raised for the UC Battery Park Offering would be used to invest
13 in UC Battery Park, which would acquire, own, operate, and eventually sell the
14 Wagner Hotel; (iv) the purchase price for the Wagner Hotel would be deposited into
15 interest-bearing secure bank accounts; (v) if the UC Battery Park Subscription
16 Agreement was terminated, all funds raised would be returned to the investors,
17 together with any interest remaining on such funds following the payment of all costs
18 and expenses; and (vi) UC Battery Park would obtain a loan in an approximate
19 aggregate amount of One Hundred Million Dollars (\$100,000,000) to acquire the
20 Wagner Hotel.

21 87. With regard to the UC Seattle Offering, at the time Defendant made
22 these representations, Defendant knew that such representations were false, because
23 Defendant was well aware that: (i) instead of keeping Plaintiff's investment in a
24 secure, interest-bearing refundable escrow account, UC Seattle and Defendant
25 opened and deposited Plaintiff's investment into a non-refundable escrow account in
26 violation of the UC Seattle Subscription Agreement and their representations to
27 Plaintiff; (ii) Defendant planned to transfer, and in fact did transfer, at least Five
28 Million Seven Hundred and Seventy-Three Thousand Dollars (\$5,773,000) in funds

1 raised for the UC Seattle Offering from UC Seattle to Urban Commons, which
2 Defendant owns and co-manages, in violation of the UC Seattle Subscription
3 Agreement; (iii) Defendant planned to transfer, and in fact did transfer, at least Two
4 Million Four Hundred Thousand Dollars (\$2,400,000) of the aforementioned funds
5 from Urban Commons, which Defendant owns and co-manages, to Defendant's
6 personally controlled accounts in 2020, despite UC Seattle's failure to acquire the
7 Hilton Seattle pursuant to the UC Seattle Subscription Agreement; and (iv)
8 Defendant had no intention of returning Plaintiff's \$250,000 investment in UC
9 Seattle in the event the UC Seattle Subscription Agreement was terminated, and to
10 date, even after receiving Plaintiff's Notice of Rescission, Defendant has failed to
11 return Plaintiff's \$250,000 investment in UC Seattle.

12 88. With regard to the UC Battery Park Offering, at the time Defendant
13 made these representations, Defendant knew that such representations were false,
14 because Defendant was well aware that: (i) Urban Commons already owned the
15 Wagner Hotel at the time it was soliciting subscriptions for membership interest in
16 UC Battery Park; (ii) Defendant never planned to use Plaintiff's investment in UC
17 Battery Park for the acquisition of the Wagner Hotel; (iii) instead of keeping
18 Plaintiff's investment in a secure, interest-bearing refundable escrow account, UC
19 Battery Park and Defendant opened and deposited Plaintiff's investment into a non-
20 refundable escrow account in violation of the UC Battery Park Subscription
21 Agreement and their representations to Plaintiff; (iv) Defendant planned to transfer,
22 and in fact did transfer, at least Fifteen Million Forty-Eight Thousand Dollars
23 (\$15,048,000) in funds raised for the UC Battery Park Offering from UC Battery
24 Park to Urban Commons, which Defendant owns and co-manages, in violation of the
25 UC Battery Park Subscription Agreement; (v) Defendant planned to transfer, and in
26 fact did transfer, at least Two Million Four Hundred Thousand Dollars (\$2,400,000)
27 of the aforementioned funds from Urban Commons, which Defendant owns and co-
28 manages, to Defendant's personally controlled accounts in 2020, despite UC Battery

1 Park's failure to acquire the Wagner Hotel pursuant to the UC Battery Park
2 Subscription Agreement; and (vi) Defendant had no intention of returning Plaintiff's
3 \$250,000 investment in UC Battery Park in the event the UC Battery Park
4 Subscription Agreement was terminated, and to date, even after receiving Plaintiff's
5 Notice of Rescission, Defendant has failed to return Plaintiff's \$250,000 investment
6 in UC Battery Park.

7 89. With regard to both the UC Seattle Offering and the UC Battery Park
8 Offering, at the time Defendant made these representations, Defendant knew that
9 such representations were false, because Defendant was well aware that: (i) as of at
10 least 2019, EHT, the entity in which Defendant has ownership interest that was
11 supposed to purchase the Hilton Seattle from UC Seattle and the Wagner Hotel from
12 UC Battery Park, was not performing well; (ii) EH-REIT had defaulted on a Three
13 Hundred and Forty-One Million Dollar (US\$341,000,000) facility loan; (iii) EH-
14 REIT's facility loan default dated back to at least December 2019; (iv) since at least
15 2019, Urban Commons had failed to make timely payments to EHT as master lessee
16 of EHT's properties; (v) Defendant and his associates were under investigation by the
17 Monetary Authority of Singapore ("MAS") and the Singapore Stock Exchange for
18 suspected breaches of disclosure requirements under Section 2013 of the Singapore
19 Securities and Futures Act, and breaches of regulations and listing rules in relation to
20 EAGLEHT SP; and (vi) trading of EAGLEHT SP's units had been suspended.

21 90. Defendant, either directly or indirectly through Urban Commons, UC
22 Seattle, UC Battery Park, and/or their representatives, caused to be made or published
23 such misrepresentations and omissions to intent to deceive Plaintiff and induce
24 Plaintiff into investing in UC Seattle and UC Battery Park.

25 91. In reasonable reliance on such misrepresentations and omissions,
26 Plaintiff invested \$250,000 in UC Seattle and \$250,000 in UC Battery Park.

27 92. Plaintiff was harmed by Defendant's concealment of such material facts.
28 Had such material facts been disclosed, Plaintiff would have taken steps, including

1 not investing in UC Seattle pursuant to the UC Seattle Offering and not investing in
2 UC Battery Park pursuant to the UC Battery Park Offering.

3 93. The intentionally fraudulent acts of Defendant were undertaken in a
4 malicious manner justifying an award of punitive damages against Defendant and in
5 favor of Plaintiff.

6 94. Based on the facts alleged herein, Plaintiff requests that Defendant's
7 obligation to Plaintiff be found non-dischargeable in its entirety pursuant to 11
8 U.S.C. § 523(a)(2)(B), as the debts owed to Plaintiff were obtained by the use of a
9 statement in writing that is materially false respecting the debtor's or an insider's
10 financial condition.

11
12 **THIRD CLAIM FOR RELIEF**

13 **(Determination of Non-Dischargeability of Debt**

14 **Pursuant to 11 U.S.C. § 523(a)(4))**

15 95. Plaintiff hereby incorporates by reference each allegation contained in
16 paragraphs 1 through 94 and realleges those allegations as if fully set forth herein.

17 96. Pursuant to the UC Seattle Subscription Agreement, Plaintiff invested
18 \$250,000 in UC Seattle, which Defendant, through the UC Seattle Subscription
19 Agreement, represented would be held in a secure interest-bearing escrow account
20 until such time as UC Seattle used such funds to purchase the Hilton Seattle.

21 97. Pursuant to the UC Battery Park Subscription Agreement, Plaintiff
22 invested \$250,000 in UC Battery Park, which Defendant, through the UC Battery
23 Park Subscription Agreement, represented would be held in a secure interest-bearing
24 escrow account until such time as UC Battery Park used such funds to purchase the
25 Wagner Hotel.

26 98. Defendant willfully, wrongfully, intentionally, and fraudulently took
27 from the UC Seattle escrow account at least \$250,000.00 while acting as an escrow
28 holder and/or fiduciary, which investment funds belong to Plaintiff. Such investment

1 funds were taken from the UC Seattle escrow account without Plaintiff's consent and
2 in violation of the UC Seattle Subscription Agreement.

3 99. Defendant willfully, wrongfully, intentionally, and fraudulently took
4 from the UC Battery Park escrow account at least \$250,000.00 while acting as an
5 escrow holder and/or fiduciary, which investment funds belong to Plaintiff. Such
6 investment funds were taken from the UC Battery Park escrow account without
7 Plaintiff's consent and in violation of the UC Battery Park Subscription Agreement.

8 100. Defendant further committed embezzlement and larceny of such
9 investment funds, for his own personal use and/or the use of third-party insiders of
10 Defendant, Wu, Urban Commons, UC Seattle, and/or UC Battery Park.

11 101. The intentionally fraudulent acts of Defendant were undertaken in a
12 malicious manner justifying an award of punitive damages against Defendant and in
13 favor of Plaintiff.

14 102. Based on the facts alleged herein, Plaintiff requests that Defendant's
15 obligation to Plaintiff be found non-dischargeable in its entirety pursuant to 11
16 U.S.C. § 523(a)(2)(4), as the debts owed to Plaintiff were obtained by fraud or
17 defalcation while acting in a fiduciary capacity, embezzlement, and/or larceny.

18
19 **FOURTH CLAIM FOR RELIEF**

20 **(Determination of Non-Dischargeability of Debt**

21 **Pursuant to 11 U.S.C. § 523(a)(6))**

22 103. Plaintiff hereby incorporates by reference each allegation contained in
23 paragraphs 1 through 102 and realleges those allegations as if fully set forth herein.

24 104. Defendant, by making direct and indirect representations and omissions
25 to Plaintiff in order to induce him to invest in UC Seattle, inflicted willful and
26 malicious injury on Plaintiff.

27 105. In the UC Seattle Subscription Agreement, Defendant, through Urban
28 Commons, the Manager of UC Seattle, promised, among other things, that (i) UC

1 Seattle would not use or apply the purchase price for the Hilton Seattle until the
2 necessary funds from the UC Seattle Offering had been raised; (ii) the funds raised
3 for the UC Seattle Offering would be used to invest in UC Seattle, which would
4 acquire, own, operate, and eventually sell the Hilton Seattle; (iii) the purchase price
5 for the Hilton Seattle would be deposited into interest-bearing secure bank accounts;
6 (iv) if the UC Seattle Subscription Agreement was terminated, all funds raised would
7 be returned to the investors, together with any interest remaining on such funds
8 following the payment of all costs and expenses; and (v) UC Seattle would obtain a
9 loan in an approximate aggregate amount of Sixty Million Dollars (\$60,000,000) to
10 acquire the Hilton Seattle.

11 106. In the UC Battery Park Subscription Agreement, Defendant, through
12 Urban Commons, the Manager of UC Battery Park, promised, among other things,
13 that (i) UC Battery Park anticipated completing the UC Battery Park Offering by
14 March 6, 2020; (ii) UC Battery Park would not use or apply the purchase price for the
15 Wagner Hotel until the necessary funds from the UC Battery Park Offering had been
16 raised; (iii) the funds raised for the UC Battery Park Offering would be used to invest
17 in UC Battery Park, which would acquire, own, operate, and eventually sell the
18 Wagner Hotel; (iv) the purchase price for the Wagner Hotel would be deposited into
19 interest-bearing secure bank accounts; (v) if the UC Battery Park Subscription
20 Agreement was terminated, all funds raised would be returned to the investors,
21 together with any interest remaining on such funds following the payment of all costs
22 and expenses; and (vi) UC Battery Park would obtain a loan in an approximate
23 aggregate amount of One Hundred Million Dollars (\$100,000,000) to acquire the
24 Wagner Hotel.

25 107. Defendant and/or Egnatz, who was acting as an exclusive agent for
26 Urban Commons, which Defendant owns and co-manages, represented to Plaintiff,
27 among other things, that (i) the UC Seattle Offering would be completed by March
28 2020, (ii) the Hilton Seattle would be sold to EHT within 3-4 months after UC Seattle

1 acquired the Hilton Seattle, and (iii) Plaintiff would receive a 30% return on his
2 investment.

3 108. Defendant, through Egnatz, represented to Plaintiff, among other things,
4 that (i) Plaintiff's investment in UC Battery Park would yield a 70% return on
5 investment, and (ii) the sale of the Wagner Hotel to EHT would be completed by the
6 fourth quarter of 2020.

7 109. With regard to the UC Seattle Offering, at the time Defendant made
8 these representations, Defendant knew that such representations were false, because
9 Defendant was well aware that: (i) instead of keeping Plaintiff's investment in a
10 secure, interest-bearing refundable escrow account, UC Seattle and Defendant
11 opened and deposited Plaintiff's investment into a non-refundable escrow account in
12 violation of the UC Seattle Subscription Agreement and their representations to
13 Plaintiff; (ii) Defendant planned to transfer, and in fact did transfer, at least Five
14 Million Seven Hundred and Seventy-Three Thousand Dollars (\$5,773,000) in funds
15 raised for the UC Seattle Offering from UC Seattle to Urban Commons, which
16 Defendant owns and co-manages, in violation of the UC Seattle Subscription
17 Agreement; and (iii) Defendant planned to transfer, and in fact did transfer, at least
18 Two Million Four Hundred Thousand Dollars (\$2,400,000) of the aforementioned
19 funds from Urban Commons, which Defendant owns and co-manages, to Defendant's
20 personally controlled accounts in 2020, despite UC Seattle's failure to acquire the
21 Hilton Seattle pursuant to the UC Seattle Subscription Agreement; and (iv)
22 Defendant had no intention of returning Plaintiff's \$250,000 investment in UC
23 Seattle in the event the UC Seattle Subscription Agreement was terminated, and to
24 date, even after receiving Plaintiff's Notice of Rescission, Defendant has failed to
25 return Plaintiff's \$250,000 investment in UC Seattle.

26 110. With regard to the UC Battery Park Offering, at the time Defendant
27 made these representations, Defendant knew that such representations were false,
28 because Defendant was well aware that: (i) Urban Commons already owned the

1 Wagner Hotel at the time it was soliciting subscriptions for membership interest in
2 UC Battery Park; (ii) Defendant never planned to use Plaintiff's investment in UC
3 Battery Park for the acquisition of the Wagner Hotel; (iii) instead of keeping
4 Plaintiff's investment in a secure, interest-bearing refundable escrow account, UC
5 Battery Park and Defendant opened and deposited Plaintiff's investment into a non-
6 refundable escrow account in violation of the UC Battery Park Subscription
7 Agreement and their representations to Plaintiff; (iv) Defendant planned to transfer,
8 and in fact did transfer, at least Fifteen Million Forty-Eight Thousand Dollars
9 (\$15,048,000) in funds raised for the UC Battery Park Offering from UC Battery
10 Park to Urban Commons, which Defendant owns and co-manages, in violation of the
11 UC Battery Park Subscription Agreement; (v) Defendant planned to transfer, and in
12 fact did transfer, at least Two Million Four Hundred Thousand Dollars (\$2,400,000)
13 of the aforementioned funds from Urban Commons, which Defendant owns and co-
14 manages, to Defendant's personally controlled accounts in 2020, despite UC Battery
15 Park's failure to acquire the Wagner Hotel pursuant to the UC Battery Park
16 Subscription Agreement; and (vi) Defendant had no intention of returning Plaintiff's
17 \$250,000 investment in UC Battery Park in the event the UC Battery Park
18 Subscription Agreement was terminated, and to date, even after receiving Plaintiff's
19 Notice of Rescission, Defendant has failed to return Plaintiff's \$250,000 investment
20 in UC Battery Park.

21 111. With regard to both the UC Seattle Offering and the UC Battery Park
22 Offering, at the time Defendant made these representations, Defendant knew that
23 such representations were false, because Defendant was well aware that: (i) as of at
24 least 2019, EHT, the entity in which Defendant has ownership interest that was
25 supposed to purchase the Hilton Seattle from UC Seattle and the Wagner Hotel from
26 UC Battery Park, was not performing well; (ii) EH-REIT had defaulted on a Three
27 Hundred and Forty-One Million Dollar (US\$341,000,000) facility loan; (iii) EH-
28 REIT's facility loan default dated back to at least December 2019; (iv) since at least

1 2019, Urban Commons had failed to make timely payments to EHT as master lessee
2 of EHT's properties; (v) Defendant and his associates were under investigation by the
3 Monetary Authority of Singapore ("MAS") and the Singapore Stock Exchange for
4 suspected breaches of disclosure requirements under Section 2013 of the Singapore
5 Securities and Futures Act, and breaches of regulations and listing rules in relation to
6 EAGLEHT SP; and (vi) trading of EAGLEHT SP's units had been suspended.

7 112. Defendant's conduct was wrongful, was without just cause or excuse,
8 and necessarily caused injury to Plaintiff.

9 113. Plaintiff was damaged as a result of Defendant's conduct.

10 114. Defendant's actions were undertaken in a malicious manner justifying an
11 award of punitive damages against Defendant and in favor of Plaintiff.

12 115. Based upon the facts alleged herein, Plaintiff requests that Defendant's
13 obligation to Plaintiff be found non-dischargeable in its entirety pursuant to 11
14 U.S.C. § 523(a)(6).

15
16 **FIFTH CLAIM FOR RELIEF**

17 **(Determination of Non-Dischargeability of Debt**

18 **Pursuant to 11 U.S.C. § 523(a)(19))**

19 116. Plaintiff hereby incorporates by reference each allegation contained in
20 paragraphs 1 through 115 and realleges those allegations as if fully set forth herein.

21 117. Defendant's conduct detailed herein violates Federal securities laws and
22 California securities laws.

23 118. Defendant's conduct constitutes a violation of Rule 10b-5 and Section
24 12 of the Securities Act of 1933.

25 119. Defendant's conduct constitutes a violation of California Corporations
26 Code Sections 25110, 25200, 25401, 25403, 25503, 25504, and 25504.1.

27 120. Defendant's conduct also constitutes common law fraud and deceit in
28 connection with the purchase of a security.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Ronald A. Christensen prays for judgment against Defendant Taylor Ronald Woods, as follows:

ON THE FIRST CLAIM FOR RELIEF:

1. For judgment that the debts owed by Defendant to Plaintiff are non-dischargeable pursuant to 11 U.S.C. § 523(a)(2)(A);
2. For judgment against Defendant in a sum of at least \$500,000.00, plus pre-judgment interest and interest, as general and special damages to be proven at trial; and
3. For punitive damages.

ON THE SECOND CLAIM FOR RELIEF:

4. For judgment that the debts owed by Defendant to Plaintiff are non-dischargeable pursuant to 11 U.S.C. § 523(a)(2)(B);
5. For judgment against Defendant in a sum of at least \$500,000.00, plus pre-judgment interest and interest, as general and special damages to be proven at trial; and
6. For punitive damages.

ON THE THIRD CLAIM FOR RELIEF:

7. For judgment that the debts owed by Defendant to Plaintiff are non-dischargeable pursuant to 11 U.S.C. § 523(a)(4);
8. For judgment against Defendant in a sum of at least \$500,000.00, plus pre-judgment interest and interest, as general and special damages to be proven at trial; and
9. For punitive damages.

ON THE FOURTH CLAIM FOR RELIEF:

10. For judgment that the debts owed by Defendant to Plaintiff are non-dischargeable pursuant to 11 U.S.C. § 523(a)(6);
11. For judgment against Defendant in a sum of at least \$500,000.00, plus pre-judgment interest and interest, as general and special damages to be proven at trial; and
12. For punitive damages.

ON THE FIFTH CLAIM FOR RELIEF:

13. For judgment that the debts owed by Defendant to Plaintiff are non-dischargeable pursuant to 11 U.S.C. § 523(a)(19);
14. For judgment against Defendant in a sum of at least \$500,000.00, plus pre-judgment interest and interest, as general and special damages to be proven at trial; and
15. For punitive damages.

FOR ALL CAUSES OF ACTION:

16. For reasonable attorney's fees and costs awardable under contract pursuant to Section 12 of the Urban Commons 6th Ave Seattle, LLC Membership Interest Subscription Agreement;
17. For reasonable attorney's fees and costs awardable under contract pursuant to Section 12 of the Urban Commons Battery Park, LLC Membership Interest Subscription Agreement;
18. For costs of suit incurred herein;
19. For reasonable attorney's fees incurred by Plaintiff, to the extent allowed by law; and
20. For such other and further relief as the Court may deem just and proper.

Plaintiff Ronald A. Christensen reserves his rights to trial of the matter consistent with his Constitutional right to the jury trial of all non-bankruptcy claims and issues before the United States District Court, including without limitation, his claims for common law and securities fraud against Defendant.

Plaintiff Ronald A. Christensen hereby demands a trial by jury on all causes of action that are triable by jury.

DATED: October 27, 2022

GARCIA RAINEY BLANK & BOWERBANK LLP

By /s/ Norma V. Garcia
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